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December 2, 2005

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: Docket No. 3692 – Verizon RI Proposed Alternative Form of Regulation Plan

Dear Ms. Massaro:

Enclosed for filing are the original and nine copies of the Objection of Verizon Rhode Island to Motion to Continue Hearing.

As always, please call me with any questions. Thank you for your attention to this matter.

Sincerely,

/s/ Alexander W. Moore

Alexander W. Moore

Enclosures

cc: B. Jean Rosiello, Esq.  
Service List

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**PUBLIC UTILITIES COMMISSION**

Investigation into a Successor Alternative  
Regulation Plan for Verizon New England Inc.  
d/b/a Verizon Rhode Island

Docket No. 3692

**OBJECTION OF VERIZON RHODE ISLAND  
TO MOTION TO CONTINUE HEARING**

Pursuant to Rule 1.13 of the Commission's Rules of Practice and Procedure, Verizon Rhode Island ("Verizon RI") objects to the motion of the George Wiley Center, filed late on December 1, 2005, to continue the hearing in this case. Verizon RI does not object to the Wiley Center's companion motion to intervene as a party in this proceeding, but its requested delay has no basis, would provide little benefit to the Commission in addressing the issues before it and would prejudice Verizon RI. Because the interests of the public are already fully represented in this proceeding, the motion to continue should be denied and the hearing should go ahead as has been scheduled for months. As further grounds for this opposition, Verizon RI states the following:

1. Verizon RI filed this proceeding on August 19, 2005, for approval of a successor alternative regulation plan to govern Verizon RI's intrastate operations. Verizon RI provided notice of the filing as required by the Commission's rules and all relevant statutes.

2. The Commission held a status conference in this proceeding on September 9, 2005, which was attended by the Division of Public Utilities and Carriers, the Attorney General's Office and various competitors of Verizon RI. Later that day, the Commission issued a

Procedural Schedule establishing October 3, 2005, as the deadline for motions to intervene. The schedule also set the hearing in this matter for December 6 and 7, 2005. The Commission subsequently published, on November 25, formal notice of the scheduled hearing.

3. Thus, the Wiley Center's motions are two months late, and were filed just three business days before the hearing is scheduled to begin.

4. Verizon RI has provided all notice of this proceeding required by state law, and has worked hard and in good faith with the Commission and the other parties to ensure that the Commission has a full record on which to promulgate a successor Alternative Regulation Plan before year-end, when the current plan expires. A delay in the effective date of a new plan into 2006, as contemplated by the Wiley Center's motion, would essentially freeze Verizon RI's retail rates, when the evidence demonstrates that telecom competition in Rhode Island is more heated now than ever and it is thus more important than ever that Verizon RI be allowed to compete fairly and without being burdened by antiquated, asymmetric regulation.

5. No statute, rule or other law required Verizon RI to give the Wiley Center notice of the filing of this case. While Rule 2.4 of the Commission's Rules of Practice and Procedure provides for published notice of a "filing for general rate schedule changes," this is not such a case. Moreover, Rule 2.2 explicitly provides that Part II of the Rules "shall be applicable only to proceedings involving the investigation of changes in rates constituting ***a general rate increase*** in which ***the respondent utility's overall revenue requirements are at issue.***" Emphasis added. Consistent with this limitation, the requirements of Part II are clearly geared to an old-fashioned rate of return case. Rule 2.6(a), for example, requires the respondent utility to present "cost of service and rate base schedules for a test year period" and rule 2.6(b) requires application of the concept of a "rate year," defined as "the twelve month period for which new rates are designed to

recover the proposed costs of service.” Rule 2.8(a) and (b) further require, in such cases, the filing of “rate base schedules” and “cost of service schedules for the test year period and for the proposed rate year.” Rule 2.9(n) lists filing requirements that clearly apply only to gas, water or electric companies.

6. Thus, Part II by its own terms does not apply to this proceeding. Verizon RI has not requested a “general rate increase,” and any changes in tariffed rates that Verizon RI might propose pursuant to a new Alternative Regulation Plan would be filed as a tariff changes subject to Commission review at that time. Verizon RI’s “overall revenue requirements” are not at issue in this case, and there is no need to file “cost of service schedules” for a test year or a rate year because the Commission has not relied on such data as the basis for regulating Verizon RI’s intrastate rates since the Commission shifted to a then-cutting edge price cap regime in 1989. Indeed, in the four proceedings the Commission has conducted since then to establish the regulatory regime for Verizon RI, no party, including either the Division or the Attorney General, has suggested that the notice provisions of Rule 2.4 apply to this type of proceeding, nor has the Commission required publication of notice of the filing of such cases.

7. The Wiley Center says it needs time to submit testimony and take discovery on the issue of the Lifeline subsidy, but the rights of the public are already fully protected in the case. Both the Division and the Attorney General’s Office, charged with representing the interest of telephone consumers and the public, are parties to this action and have been since its inception, with full opportunity to take discovery and submit testimony. The Division has done so, and its expert has testified on Verizon RI’s proposal to realign the Lifeline subsidy over two years.

8. Commission Rule 1.13(b)(2) allows intervention by a party that has an interest “directly affected and which is not adequately represented by existing parties [to the proceeding] . . . .” Because the interests of the public and the low-income constituents of the Wiley Center are adequately represented by the Division and the Attorney General, and because Verizon RI does not object to the participation of the Wiley Center as a party at hearing, there is neither need nor justification for the continuance sought.

WHEREFORE, Verizon RI requests that the Commission deny the motion by the Wiley Center to continue the hearing in this matter.

VERIZON RHODE ISLAND

By its attorneys

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